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July 16, 2007

Via Telecopy – (570) 207-5729

Hon. Thomas L. Vanaskie
U.S. District Judge – Scranton
William J. Nealon Federal Building
and U.S. Courthouse
235 N. Washington Avenue
P.O. Box 1148
Scranton, PA 18501

Re: John P. Ftorkowski v. Silver Lake Farms, Inc., et al.
Case No. 3:07-cv-389

Dear Judge Vanaskie:

The purpose of this letter is to inform you that the parties have settled the above-referenced Silver Lake Farms case. On July 12, 2007, Plaintiff John P. Ftorkowski accepted a settlement offer made by Defendant Silver Lake Farms, Inc., Stanley Ftorkowski and Joanne Ftorkowski, the terms of which are set forth in the letter attached as Exhibit A. See (July 12, 2007, letter from Morgan J. Hanson, Esq. to William E. Vinkso, Esq.). By and through their signatures, all parties to this dispute have agreed to and acknowledged that the terms set forth in Exhibit A reflect the settlement the parties have reached.¹

In light of the parties' recent settlement, Plaintiff John P. Ftorkowski requests that the Court cancel the scheduled July 18, 2007, hearing on Defendants' Motion to Set Aside Default and Plaintiff's Motion for Default Judgment. Defendants concur in this request. Additionally, the parties respectfully request that this Court enter an order administratively closing this matter but retain jurisdiction to enforce the terms of the settlement.

¹

Defendants Stanley and Joanne Ftorkowski inadvertently failed to sign this Agreement on behalf of Silver Lake Farms, Inc. Based upon the representations of Defendants' counsel, Mr. Vinkso, a signature on behalf of the Company will be forthcoming shortly.

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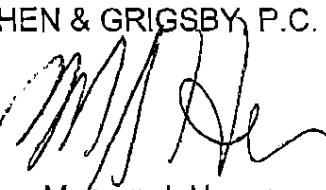
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Please advise if the Court needs anything further from the parties at this juncture.

Very truly yours,

COHEN & GRIGSBY, P.C.

By:


Morgan J. Hanson

MJH/mlv

Enclosure

cc: William E. Vinsko, Esq. (w/encl.)
Jeffrey P. Ward, Esq. (w/o encl.)

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July 12, 2007

Via Telecopy

William E. Vinsko, Esq.
Vinsko & Associates
253 South Franklin Street
Wilkes Barre, PA 18701

Re: John P. Ftorkowski v. Silver Lake Farms, Inc., et al.
Case No. 3:07-cv-389

Dear Bill:

This letter confirms the settlement that we reached today.

The terms of the settlement are as follows:

- Silver Lake Farms, Inc. will pay for a certified and independent appraisal of the parcel PIN J2 00A 004. Jack will select the individual to conduct the appraisal of this parcel;
- The Company will transfer to Jack PIN J2 00A 004 at its appraised value;
- At the closing at which PIN J2 00A 004 is transferred to Jack, Defendants will pay Jack a cash payment equal to the balance between \$520,000 and the appraised value of the transferred parcel, PIN J2 00A 004;
- At the closing, Jack will transfer his 50% interest in Silver Lake Farms, Inc. to the Company;
- Jack will not be responsible for any tax liability Silver Lake Farms, Inc. or your other clients incur in this transaction;
- All parties will execute general, mutual releases; and

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William E. Vinsko, Esq.
July 12, 2007
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- The parties agree that the settlement reflected above will be more fully captured in a later settlement agreement with commercially reasonable terms.

Jack has selected John McDermott to appraise PIN J2 00A 004. Mr. McDermott's phone number is (370) 255-2100. Although we do not anticipate any problems, we request that we be copied on any correspondence with Mr. McDermott to ensure that there is no confusion over the appraisal process.

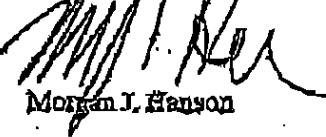
Because the Court is unlikely to continue the hearing scheduled for the 18th without substantial proof that the parties have settled, we ask that your clients agree and acknowledge this settlement by signing on the lines below. As you can see, our client has already done so. Once we receive this acknowledgement from your clients, we will draft a letter to the Judge asking him to cancel the hearing on the 18th. It is imperative that we receive the acknowledgements today to allow the Court time to cancel the hearing.

It has been a pleasure working with you.

Very truly yours,

COHEN & GRIGSBY, P.C.

By:


Morgan J. Hanson

MTH/ajv

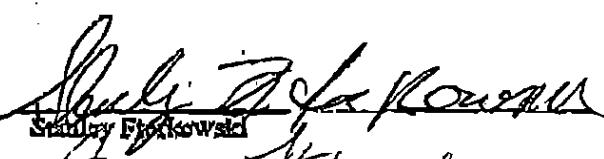
cc: Jeffrey P. Ward, Esq.

AGREED and ACCEPTED this 16th day of July, 2007.

SILVER LAKE FARMS

By:


John P. Farkowski


Stanley Farkowski

Joann Farkowski

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bcc: Henry C. Cohen, Esq. (w/o encl.)
John P. Florkowski (w/encls.)

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MESSAGE

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